

REPORT OF THE MANAGER OF THE FEDERAL CROP
INSURANCE CORPORATION, 1944

United States Department of Agriculture
War Food Administration
Federal Crop Insurance Corporation
Washington, D. C., November 15, 1944

Hon. Marvin Jones
War Food Administrator

Dear Mr. Jones:

I present herewith the annual report of the activities of the Federal Crop Insurance Corporation for the fiscal year 1944.

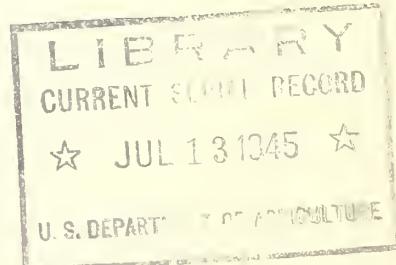
This report deals largely with liquidation activities although the operating statistics cover the full period since the Corporation was organized. An analysis of the crop insurance program as it has operated is contained in our annual report for 1943.

Sincerely yours,

J. Carl Wright
J. Carl Wright, Manager

Concurred in:

J. B. Hutson
J. B. Hutson, Director of Production



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Status of the Corporation

The Federal Crop Insurance Corporation was established in 1938 and since that time has insured wheat crops in the five years, 1939-1943. By amendment to the Act in 1941, cotton insurance was added and cotton crops have been insured for 1942 and 1943. During that time about two million wheat and cotton crops have been insured, representing insurance on about 55 million acres with a guaranteed production of about 586 million dollars based on wheat and cotton values applicable to each year. Indemnities have been paid for losses incurred on more than 600,000 crops. Premiums have amounted to about 52 million dollars and indemnities 96 million dollars.

As a result of the fact that indemnities have exceeded premiums every year and in the aggregate had substantially exceeded premiums, the Congress in the 1944 Agricultural Appropriation Act provided funds only for liquidating the insurance on 1943 and earlier crops. Following is the language in the 1944 Agricultural Appropriation Act:

"Administrative and operating expenses: For operating and administrative expenses under the Federal Crop Insurance Act, approved February 16, 1938, as amended (7 U. S. C. 1501-1518; 55 Stat. 255-256), \$3,500,000, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, purchase of lawbooks, books of reference, periodicals, and newspapers: Provided, That no part of this appropriation shall be used for or in connection with the insurance of wheat and cotton crops planted subsequent to July 31, 1943, or for any other purpose except in connection with the liquidation of insurance contracts on the wheat and cotton crops planted prior to July 31, 1943."

The 1945 Agricultural Appropriation Act provided \$350,000 for continuing liquidation.

The approaching termination of the activities of this Corporation results therefore from Congressional action through appropriations and not from any change in the Federal Crop Insurance Act itself. In fact, during the past year the House Committee on Agriculture has considered and reported out amendments to the Federal Crop Insurance Act with a view to so improving the basic legislation that the program would have more chance of financial success. Despite this proposed reinstatement of the program, the Corporation is making progress toward termination of its activities as contemplated in the appropriation statutes.

The adjusting and paying of losses on the 1943 wheat and cotton crops and making collection on premium notes represented the principal activities during the fiscal year 1944. During that same period the Corporation had been consolidating branch offices, disposing of property and reducing personnel in conformity with the reduction in work loads.

Progress in Liquidating Activities of the Corporation

In July 1943 when the restrictive appropriation legislation became effective, the Corporation had a total of about 470 employees in headquarters and branch offices. Immediate action was taken to reduce the number of employees. The most rapid reduction occurred in the actuarial work both in headquarters and the branch offices as the activities of persons so engaged involved future programs. As of June 30, 1944, there were 145 employees and by September 30, the number had been reduced to 75.

In August 1943 the Headquarters Field and Commodity Control Offices at St. Louis were discontinued, their activities being transferred to headquarters and branch offices. In May 1944 the Denver branch office was closed and its activities transferred to the Chicago branch office. Since June 30, 1944, the branch offices at Dallas and Birmingham have been closed and their remaining activities transferred to Chicago. The Corporation therefore now has only one branch office and that is operating with a limited staff of employees.

Liquidating Insurance on 1943 and Earlier Crops

There were 133,076 indemnities paid for losses on 1943 wheat crops representing a total of 13,209,955 bushels of wheat. There were 40,632 indemnities for cotton losses representing a total of 56,800,979 pounds of cotton. These figures are as of June 30, 1944. Final figures will be slightly in excess of these amounts because of delayed claims.

Despite the fact that 1943 wheat and cotton yields for the country as a whole were above long-time averages, losses exceeded premiums on both crops. Heavy losses to both wheat and cotton resulted from the major flood in May 1943 on the Mississippi River and its tributaries. Losses of this type frequently are complete losses and in areas where such occurs the indemnities represent an amount many times the premiums. Other principal factors resulting in losses to the wheat crop were heavy winterkill in the Central and Eastern Areas and damage from green bugs in Oklahoma and Texas. For the third year in succession, heaviest losses on wheat occurred in the normally low or medium-risk area east of the Great Plains. Only in 2 of the 5 years of operation, 1939 and 1940, were the losses heaviest in the normally high-risk wheat producing area of the Plains States. Even in that area losses were not great on spring wheat. An analysis of the causes of loss by states for the 1940, 1941, and 1942 wheat crops is given in last year's report. An analysis by states of the causes of loss on the 1942 cotton crop is shown in table 1. Important causes of 1943 cotton losses other than flood were boll weevil and excessive moisture followed by drought.

The adjustment of cotton losses on the 1943 crop was benefited by the experience gained in 1942, the first year of the cotton insurance program. On the other hand, there were indications that the approaching

Table 1. Indemnified losses, percentage caused by various hazards on insured 1942 cotton crops

<u>State</u>	<u>Excessive moisture</u>	<u>Blood weevil</u>	<u>Other insects and diseases</u>	<u>Drought</u>	<u>Hail</u>	<u>Frost</u>	<u>Other weather factors</u>	<u>War-time labor shortages</u>	<u>Miscellaneous</u>	<u>Total loss (in pounds)</u>
Virginia	75	-	5	-	5	-	-	8	7	37,765
North Carolina	18	1	38	3	25	7	-	2	-	159,658
South Carolina	44	-	39	2	4	1	-	7	-	5,957,137
Georgia	16	-	59	-	21	1	-	-	1	5,996,067
Florida	34	1	22	3	20	-	3	6	8	142,259
Alabama	38	1	47	-	8	1	-	-	1	2,851,845
Mississippi	42	5	21	2	18	2	-	1	4	406,154
Tennessee	22	2	2	3	52	1	10	1	-	121,050
Kentucky	-	2	-	1	79	-	17	-	-	28,910
Illinois	23	49	-	12	1	1	12	-	-	31,535
Missouri	64	18	-	2	10	2	2	-	1	124,071
Arkansas	29	40	12	9	3	5	-	-	-	2,225,091
Louisiana	28	31	26	4	6	-	-	2	-	4,032,863
Oklahoma	13	15	22	20	-	11	1	16	-	3,459,784
Texas	33	21	5	16	6	12	-	4	-	24,970,154
New Mexico	14	1	-	19	3	42	4	5	2	682,226
Arizona	-	-	-	69	-	3	2	3	13	410,542
California	7	2	-	22	-	-	11	17	27	899,068
United States	29.7	15.5	20.4	11.1	7.5	7.4	.5	4.6	.9	52,536,269

termination of the crop insurance program may have resulted frequently in less careful adjustment of 1943 losses than might otherwise have been expected. Many persons who had been working on the program in counties and states transferred to other work, and as a consequence, much of the crop insurance work was done by persons without previous experience and persons considering it only a temporary job.

During the fiscal year the Corporation has also settled numerous controversial cases involving loss on 1942 and previous crops. The Corporation has defended three suits, two of which involved refusal to pay the full amount claimed on the grounds of failure by the insured to properly care for the crop.

Another feature of liquidating insurance on 1942 and 1943 crops is that of collecting premium notes. Premium notes were taken on the 1942 and 1943 crops having a cash equivalent value of about 32 million dollars. Collections up to June 30, 1944 had reduced this amount to approximately 2 million dollars. By the end of August this was further reduced to about \$1,650,000. Most of the collections have been made by set-off against agricultural conservation program payments, commodity loans, or crop insurance indemnities. Payments to farmers in 1944 under the agricultural conservation program will be considerably smaller than in previous years and, consequently, it is anticipated that many of the balances on premium notes will have to be collected in cash. County committees have been requested to notify producers of the balance due with a request for payment. It is anticipated that as a result of direct collection and continued set-off a substantial reduction in the outstanding balance will still be made. It must be recognized, however, that some of these notes will not be collectible even by legal process and that some will ultimately have to be classed as a loss.

Despite the losses that will occur on premium notes for 1942 and 1943 crops, it is probable that the use of premium notes has resulted in a substantial net savings to the Government. These notes were commodity notes representing the obligation of the insured in bushels of wheat or pounds of cotton and were not converted to a monetary basis until maturity (unless paid before then). Instead of carrying its premium reserve in actual commodities during the growing season for price protection as in 1939, 1940, and 1941, the Corporation held these commodity notes and saved the storage costs. Storage costs, which on wheat alone in each of the fiscal years 1940 and 1941 amounted to over \$800,000, have been virtually eliminated. It is thus apparent that the savings in storage costs more than offset the losses that may occur on premium notes. It should be noted, however, that the savings on storage occur in the administrative and operating expense provided for by annual appropriations, whereas the losses on notes will have to be absorbed out of the Corporation's capital.

Price Protection Through the Acquisition and Sale of Commodities

Since the purchase, storage, and sale of commodities is an activity that is not ordinarily carried on by insurance organizations and since the gain or loss from such transactions over five years is summarized in this report, it seems desirable to review briefly those operations, their purpose and their place in the crop insurance program.

The Federal Crop Insurance Act provided for insurance against loss in yield. Consequently, if the crop produced was less than the amount of coverage expressed in units of the commodity, the insured was indemnified for the shortage. The premium necessary to cover the risks was likewise determined in terms of the commodity unit. Provision was made for payment "in kind" (warehouse receipts representing the commodity), with the alternative, if that was inconvenient or not desired, of paying premiums or receiving indemnities in the cash equivalent. In the operation of the program, both premiums and indemnities, though determined in bushels of wheat or pounds of cotton, have generally been paid in the cash equivalent because this was more convenient to the insured and to the Corporation.

If the Corporation held the premiums in cash until needed for payment of indemnities, it would be carrying not only the risk of crop loss but also the risk of change in the commodity price on its premium reserves. For example, if one million bushels of wheat premiums were collected on the basis of \$1 per bushel, there would be available one million dollars. If by the date of paying indemnities the price has increased to \$1.25 per bushel, the million dollars would pay only 800,000 bushels of indemnities. To avoid this price risk the Corporation purchased wheat or cotton equal to the number of bushels of wheat or number of pounds of cotton premiums. Consequently, the Corporation was protected by having as many bushels of wheat or pounds of cotton to pay indemnities as it had collected as premiums.

The wheat or cotton was sold later to provide the funds to pay indemnities in the cash equivalent price. If the wheat price increased between the time of acquisition and sale, the gain on the wheat operations offset the increase in the cash indemnity obligations resulting from higher prices. Conversely, if the price of wheat dropped, the loss on the wheat operations was offset by the decrease in the cash indemnity obligations. It was essentially a hedging operation using cash commodities rather than futures.

The 5-year period was one of generally increasing wheat prices. Consequently, insured farmers as a rule received from the Corporation a higher price for their indemnity wheat than that paid on their premiums. The average price per bushel for premiums and indemnities is shown in the following tabulation. The average price of the wheat paid as indemnities is in part influenced by the geographical location of the heaviest losses, but, in general, the price level for indemnities was higher than for premiums.

<u>Crop Year</u>	<u>Average premium price</u>	<u>Average indemnity price</u>
1939	\$.51	\$.55
1940	.66	.60
1941	.56	1.00
1942	.96	1.29
1943	1.32	1.49

To offset the extra cost to the Corporation of these increased prices on indemnity wheat the Corporation gained from its wheat transactions \$6,657,708.88. The extra cost to the Corporation of the increase in prices of wheat would have been practically entirely offset had the indemnities (in bushels) not exceeded the premiums (in bushels). After the premium reserves in wheat were depleted each year the remainder of the indemnities had to be paid out of the capital at the price for wheat near the close of the season. Had it been possible to pay these deficits at the general level of price for wheat premiums rather than at the level of price for wheat indemnities, the Corporation's loss (in dollars) would have been smaller.

The time each year for the purchase or sale of commodities was determined primarily by the time at which cash equivalent values were established. In other words, wheat would be purchased when the premium obligation of the insured was converted to a dollar basis and would be sold when the indemnity obligation of the Corporation to the insured was converted to a dollar basis. In 1939, 1940, and 1941 cash equivalent values on premiums were established essentially when insurance was written, before the growing season. Beginning in 1942 the Corporation accepted commodity premium notes maturing at about harvest time. The cash equivalent price of the premium was established at the maturity of the note (unless the note were paid earlier) and wheat or cotton was purchased at that time. Consequently, since 1942 it has been unnecessary to carry premium reserves in commodities during the growing period of the crop.

Beginning with the 1940 program the insured was given the option to defer the cash settlement on his indemnity for a limited period after the amount of the indemnity was established in bushels. During that period he held a certificate for the number of bushels of wheat or pounds of cotton for which his claim was approved. He could hold this certificate or he could obtain a commodity loan on it the same as if he had actually produced the wheat or cotton. During this additional period the Corporation needed protection against the risks of price fluctuations. This was accomplished by continuing to carry the premium reserves in wheat or cotton and in the event that indemnities exceeded the premium reserves by purchasing additional reserves. During this period in which the insured held an indemnity certificate for wheat or cotton he was required to pay storage costs.

Following the establishment of ceiling prices for wheat in January 1944 which eliminated the possibility of any material increase in price during the period of the obligation, the Corporation disposed of its stocks of

wheat in advance of the date when indemnities would be converted to a cash equivalent basis.

Table 2 shows the gain or loss from the commodity transactions of the Corporation each year and for the full period of operations. There has been a net gain of \$6,739,754.38. This is not considered as a profit on separate non-insurance activities of the Corporation but it is closely related to the insurance operations and represents an offset to the higher cash indemnities paid as a result of increasing prices.

Explanatory Comments on Insurance Experience Tables

Table 2 shows a summary of the Corporation's insurance experience on both wheat and cotton covering a period of 5 years for wheat and 2 years for cotton. The participation figures are given in the first two columns; for first column "insurance written" (shown only for wheat) and the second column "insurance in force." Since application for insurance is made before the crop is planted, it frequently occurs, particularly in wheat, that some farms on which insurance is written have no insurance in force because no wheat is planted or because the applicant does not acquire the interest in the crop that he had anticipated. The difference between the two figures was greater in 1942 and 1943 than in earlier years. The reason for this greater difference was that prior to 1942 a separate application was made for insurance on each farm and beginning with 1942 the application submitted by an individual covered every farm in the county in which he had an interest in the crop at the time of seeding. Since individuals with more than one farm frequently did not plant wheat on all farms, the number of farms subject to insurance was substantially in excess of the number of farms on which insurance was actually in force. A comparable figure for insurance written is not available for 1939 wheat insurance because of procedural changes. Also because of changes in procedure between 1942 and 1943 comparable cotton insurance figures are not available. In general the difference between insurance written and insurance in force is much smaller in cotton than in wheat.

Because of the limitations placed on the activities of the Corporation by the appropriation legislation, summaries of acreage and insured production have not been made for 1943 and the figures given in the table are estimates. Insured production figures for cotton insurance apply only to lint cotton. Maximum liability of the Corporation was about 20 percent greater, as all indemnities for loss of lint cotton were increased by about that percentage to cover the loss of cottonseed.

Premiums and indemnities are shown both on a commodity basis and on a monetary basis. The indemnities on a monetary basis include the estimated value of approved claims for which the cash equivalent has not yet been established. These claims involve 305,861 bushels of wheat and 2,855,720 pounds of cotton. The surplus or deficit on a monetary basis must also take into account the gain or loss on trading in commodities, which is essentially a hedging operation. (The reason for this is explained in an

Table 2. Federal crop insurance experiences
United States summary by years
As of June 30, 1944

Commodity and Crop Year	Farms Insured/1				Commodity Basis				Monetary Basis		
	Insurance Written Number	Insurance in force Number	Indemnities Number	Insured Acreage Acres	Insured Production Bushels	Indemnities Bushels	Surplus or -Deficit Bushels	Premiums Dollars	Indemnities Dollars	Gain or Loss from Commodity Transactions Dollars	Surplus or -Deficit Dollars
Wheat											
1939	-	165,775	55,932	7,010,390	60,826,075	6,670,315	10,163,899	-3,493,584	\$ 3,410,940.10	\$ 5,601,561.79	-\$ 1,417.71
1940	379,710	360,596	112,762	12,754,834	108,284,574	13,796,798	22,898,147	-9,101,349	9,155,062.21	13,694,263.62	-175,225.59
1941	420,940	371,390	130,774	11,734,263	104,306,380	12,643,051	18,857,243	-6,214,192	7,096,366.64	18,925,433.85	4,182,654.71
1942	504,047	400,043	108,368	9,630,265 ^b	88,063,250	8,769,715	10,574,927	-1,805,212	8,447,498.18	13,666,902.68	1,738,922.15
1943	487,663	357,733	133,276	8,148,800 ^b	75,264,000 ^b	8,035,124	13,209,255	-5,174,831	10,625,480.33	19,705,072.22	912,775.32
Total Wheat	1,655,537	540,912	19,278,252	436,744,179	49,915,003	75,041,171	-25,789,168	38,735,347.46	71,593,234.23	6,651,703.88	-26,200,171.89
Cotton											
1942	-	169,072	47,744	2,816,462	407,611,601	31,435,750	52,536,269	-21,100,519	6,302,935.89	11,254,151.87	207,840.90
1943	-	164,928	40,532	2,690,219 ^b	286,690,212 ^b	20,744,270	56,800,979	-26,056,609	6,852,495.82	13,006,746.01	-125,195.40
Total Cotton	-	334,070	86,376	5,506,741	724,350,913	62,180,120	109,337,248	-47,157,128	13,155,434.71	24,260,897.83	82,045.50
Other Charges											
Total	1,989,607	629,288	54,785,293						\$51,890,785.17	\$25,854,152.11	\$6,739,754.58

^{1/1} Includes duplication where both landlord and tenant are insured.

^b Estimated

earlier section of this report.) In previous reports the gain or loss from commodity transactions was not set forth separately but was taken up as a prior adjustment to the indemnities on a monetary basis--in other words, the net cost to the Corporation of the indemnities was shown. It is believed that the showing of the gross amount of cash indemnities paid and the offsetting gains from commodity transactions separately gives a clearer picture and reflects more accurately the benefits that producers have obtained from their insurance. The gain over the whole period on commodity transactions has been \$6,739,754.38; this amount offsetting the higher indemnity obligations resulting from increased prices.

Table 3 shows for each state the 5-year wheat insurance experience and table 4 shows for each state the 2-year cotton insurance experience. Loss ratios were computed on the commodity basis rather than the monetary basis so that crop loss experience only will be reflected. Table 2 for the country as a whole shows under the monetary basis the surplus or deficit adjusted for the gain or loss from commodity transactions carried on for price protection. The commodity transactions are not carried separately by states and, therefore, the monetary surplus or deficits by states are not adjusted for price protection. Totals of monetary indemnities by states in tables 3 and 4 will not agree with the United States totals in table 2 because table 2 includes the estimated cash equivalent values of indemnities which had been approved but for which a cash equivalent value had not been established. This difference applies principally to the 1943 crop year. These indemnities on a commodity basis are included in both state and United States tables.

Explanatory Comments on Balance Sheet (Table 5)

Cash

The cash, amounting to \$3,146,006.97 is deposited with the Chief Disbursing Officer of the Treasury Department. The facilities of the Disbursing Office of the Treasury are used by the Corporation for deposits and disbursements; the Treasury Department being utilized as the depository for funds of the Headquarters Office while Federal Reserve Banks are the depositories used at branch office locations.

Receivables

The amount of \$2,093,059.57 represents, in substantial part, the balance of insurance premium notes due for the 1942 and 1943 crop years. There are, however, small miscellaneous items included in this figure.

Accounts Payable

The amount of \$528,356.34 owing to the administrative fund represents the net balance of warehousing-cost transactions effected through the capital funds of the Corporation for the account of the administrative funds.

Table 3. Wheat crop insurance experience by state
As of June 30, 1944

State and Crop Year	Insurance Written in Force Number	Insured Acreage/ ¹ Acres	Insured Acreage/ ² Bushels	COMMUNITY BASIS				MONETARY BASIS/ ⁵				
				Indemnities Number	Premiums Bushels	Indemnities Premiums	Surplus or Deficit Bushels	Loss Ratio/ ⁴	Premium Dollars	Indemnition Dollars	Surplus or Deficit Dollars	
New York												
1939	652	58	8,746	1,69,551	5,036	5,226	-188	1.04	\$ 2,162.55	\$ 3,753.36	\$ 590.81	
1940	911	678	9,187	1,32,619	5,858	2,153	3,705	0.37	4,187.22	1,531.86	2,653.36	
1941	1,040	966	159	1,0812	7,085	9,213	-2,155	1.30	5,021.80	9,571.57	1,552.77	
1942	2,068	1,997	74	21,054	12,904	4,068	8,536	0.32	13,618.19	5,670.64	8,007.55	
1943	2,407	1,041	1,041	23,800	382,000	18,012	87,662	0.85	29,658.06	142,208.59	112,570.51	
Total		6,517	1,377	1,174,264	48,920	108,352	-59,392	2.21	55,687.84	162,711.02	107,053.18	
New Jersey												
1939	-	29	3	380	5,778	190	170	20	.89	130.45	116,62	
1940	112	109	4	1,206	17,983	594	264	350	.14	494.13	196.36	
1941	165	155	23	1,903	30,717	968	1,299	31	1.36	1,392.98	299.37	
1942	286	272	13	2,904	47,409	1,492	481	962	.67	1,674.89	643.31	
1943	287	278	13	2,800	45,000	1,411	949	462	.67	2,187.05	512.16	
Total		623	56	9,192	116,687	4,605	3,162	1,442	.69	5,217.18	1,111.32	
Pennsylvania												
1939	-	2,299	152	30,437	15,829	15,709	8,120	.49	9,531.18	5,269.12	1,262.36	
1940	5,916	5,788	667	65,361	979,366	36,111	70,725	5,116	.85	31,169.35	6,386.39	
1941	7,521	7,173	1,162	83,159	1,274,562	44,513	57,766	-15,253	1.30	200,282.71	62,033.92	
1942	7,426	7,070	1,300	77,976	1,137,095	42,582	908	-22,246	1.52	47,953.54	28,689.82	
1943	9,026	8,572	8,572	2,354	1,318,000	58,665	128,202	69,237	2.19	90,277.67	106,914.15	
Total		30,902	5,635	351,433	5,177,916	197,710	289,310	-91,600	1.47	212,276.34	165,344.51	
Ohio												
1939	-	10,252	1,908	123,439	1,737,397	131,268	101,184	30,104	.77	79,277.08	64,785.89	
1940	27	2,418	314,101	4,230,833	30,725	77,453	227,272	.25	220,722.65	57,184.88	163,097.83	
1941	31	256	3,221	349,486	29,715	110,628	179,087	.38	200,722.65	111,515.37	87,207.48	
1942	40,004	40,004	7,779	393,667	326,411	350,658	-28,247	1.07	356,913.99	508,848.98	151,934.99	
1943	49,710	40,209	195,600	5,713,080	361,710	1,281,555	-920,519	2.52	2,025,765.98	1,36,239.86	-1,922,947.36	
Total		149,389	340	1,452,633	1,376,293	1,415,875	1,924,478	-508,603	1.36	2,170,121.10	-1,323,378.35	
Indiana												
1939	-	11,156	2,574	163,625	2,020,045	111,614	148,726	-7,091	1.05	79,996.25	90,336.95	
1940	26,433	26,844	3,324,455	4,048,596	280,191	123,915	156,278	.44	197,711.05	85,605.99	112,105.06	
1941	35,412	30,540	1,089	371,705	4,588,721	301,540	357,763	265,777	.12	199,718.02	33,768.28	163,949.74
1942	37,103	32,122	18,640	363,300	4,512,689	289,412	1,355,362	-1,065,941	4.70	312,067.33	1,910,822.59	-1,998,755.26
1943	47,659	32,640	13,109	369,100	4,505,000	351,789	914,112	-562,323	2.60	547,434.97	1,470,432.33	-922,947.36
Total		133,242	340	1,800,185	19,555,054	1,361,525	2,577,900	-1,244,305	1.89	1,336,977.62	35,592,966.14	-2,255,983.52
Illinois												
1939	-	12,189	970	2,912,114	185,191	58,291	126,900	*31	100,361.65	33,513.68	66,847.97	
1940	14,926	14,254	290,571	3,231,603	225,311	36,047	179,294	*17	150,641.69	23,959.48	126,682.21	
1941	38,052	32,894	5,547	7,046,678	117,521	443,115	-25,581	1.06	263,401.15	436,638.19	-173,237.04	
1942	45,324	29,751	18,374	4,83,747	5,152,042	309,812	1,861,500	-1,557,620	6.03	330,086.85	2,501,173.59	-2,171,086.74
1943	68,519	32,554	18,397	6,817,000	520,975	1,915,232	-1,391,257	3.68	779,299.32	2,923,046.23	-2,143,746.96	
Total		128,642	4,080	2,314,170	25,189,437	1,368,925	1,320,188	-2,671,273	2.62	1,623,190,66	5,918,320,22	-1,294,540,56

See footnotes at end of table.

Table 3. Wheat crop insurance experience by states - As of June 30, 1944

State and Crop Year	FARMS INSURED/1		COMMODITY BASIS				MONETARY BASIS/5			
	Insurance Written	Insurance in Force	Insured Acres/2	Production/2	Premiums Bushels	Indemnities Bushels	Surplus or Deficit	Premiums Dollars	Indemnities Dollars	Surplus or Deficit Dollars
	Number	Number	Acres	Bushels	Bushels	Bushels	Ratio/4	Dollars	Dollars	Dollars
Michigan										
1939	5,057	1,536	49,216	729,663	30,633	39,481	1.29	\$ 17,610.18	\$ 24,211.51	\$ -6,601.33
1940	15,950	15,173	134,755	1,901,231	86,846	87,881	.56	41,695.02	14,589.51	14,589.51
1941	15,314	15,935	20,116	120,036	1,738,964	1,765,241	.67	54,891.76	85,610.02	-30,752.26
1942	25,122	29,172	5,311	238,904	3,398,517	177,451	.55	202,070.67	277,063.76	-74,993.09
1943	36,918	29,220	10,744	239,100	191,976	580,937	.16	312,243.77	900,061.85	-587,118.08
Total	-	91,885	20,611	11,170,275	569,988	967,115	1.70	603,800.93	1,328,876.16	-685,075.23
Missouri										
1939	15,715	2,837	343,021	3,264,200	197,328	171,203	.87	102,820.38	90,177.79	12,642.59
1940	21,666	2,775	665,335	3,500,111	244,476	140,693	.58	160,444.25	87,175.41	73,270.84
1941	25,187	20,865	13,550	3,841,354	267,453	1,639,887	.14	1,726,660.87	1,733,51	-1,566,873.36
1942	4,174	23,513	13,661	555,024	269,920	1,241,888	.62	286,624.82	1,740,512.73	-1,454,187.91
1943	48,603	30,312	16,255	556,000	533,222	2,047,977	.34	809,401.22	3,115,894.66	-2,306,403.41
Total	-	110,601	49,178	1,904,334	1,512,486	5,247,448	2.47	1,519,164.16	6,760,719.46	-5,281,555.28
Delaware										
1939	456	79	14	1,765	22,208	856	666	190	.78	456,89
1940	631	83	8,885	102,221	4,209	6,269	-2,060	1,49	4,737,86	-862,35
1941	515	68	10,816	121,236	4,993	4,259	.85	3,875,46	4,420,40	-693,66
1942	804	729	49	148,143	6,146	1,974	.32	3,766,74	13,472,57	2,338,21
1943	416	342	64	6,000	2,421	6,084	.51	6,822,06	25,801.42	1,606,35
Total	-	2,178	-	40,267	-	18,627	1.03	3,631,50	9,805,20	-6,173,70
Maryland										
1939	985	151	22,992	290,905	10,905	7,103	.65	6,818,87	4,739,55	2,079,32
1940	1,274	1,256	160	32,744	110,802	15,061	.66	13,668,77	7,783,78	5,886,39
1941	1,746	1,689	154	39,250	499,859	15,237	.029	8,205	13,472,57	11,234,36
1942	2,475	2,489	289	50,336	646,952	23,952	.55	5,126	27,407,80	25,801.42
1943	2,328	2,193	739	51,400	570,000	23,559	.270	3,527,82	104,086,82	-65,149,00
Total	-	8,612	11,923	189,722	2,418,018	109,531	1.19	96,0582	153,647,92	-56,438,10
Virginia										
1939	1,176	916	78	15,256	189,239	7,363	.52	4,722,08	3,097,23	1,624,85
1940	2,557	1,164	125	19,969	213,664	9,508	.60	8,640	8,640,03	4,715,65
1941	2,799	468	42,578	519,461	20,536	20,527	.09	15,228,10	22,257,34	-7,029,24
1942	1,780	2,707	485	40,768	188,627	19,192	.68	10,668	22,335,77	6,703,17
1943	1,658	833	24,900	299,000	11,086	60,016	.57	18,928	17,062,10	-87,032,79
Total	-	8,926	11,713	143,571	67,661	299,991	1.48	32,203	68,042,02	-149,460,41
West Virginia										
1939	-	1	-	-	37	402	16	-	11,10	11,10
1940	-	-	15	1,116	16,846	892	-	-	-	-
1941	567	511	103	7,085	82,166	3,811	.5	705,27	965,02	-259,75
1942	941	767	123	10,600	123,000	4,250	.39	4,399,81	7,155,02	-2,755,21
Total	-	1,367	-	222,414	19,138	8,971	1.77	6,624,84	35,005,55	-28,712,71

See footnotes at end of table.

Table 3. Wheat crop insurance experience by states - As of June 30, 1944

State and Crop Year	Farms Insured/ ¹ Insurance Written	Indemnities Number	Insured Acres	Production/ ² Bushels	Commodity Basis			Monetary Basis/ ⁵		
					Premiums Dollars	Indemnities Dollars	Loss Ratio/ ⁴	Premiums Dollars	Indemnities Dollars	Surplus or -Deficit Dollars
					Bushels	Bushels	Ratio/ ⁴	Bushels	Bushels	
North Carolina										
1939	202	107	23	1,947	930	568	.39	899.04	323.53	575.51
1940	458	117	39	5,475	2,541	1,223	.52	2,853.17	1,624.70	628.47
1941	1,866	135	17,006	155,171	7,853	4,111	.52	10,208.90	6,501.02	3,707.88
1942	2,008	660	660	281,000	9,416	11,256	.41	16,007.11	73,274.15	57,665.74
1943	3,731									-27,356.88
Total			1,157	55,628	511,967	20,744	.41	29,378.22	81,775.10	
Kentucky										
1939	979	945	171	16,199	169,431	14,692	.961	12,203.28	7,471.26	4,732.02
1940	631	605	29	10,971	112,610	8,939	.7940	6,118.72	1,143.10	5,005.53
1941	1,941	135	17,240	128,461	11,044	14,551	.52	12,985.20	19,935.43	6,950.23
1942	1,942	947	258	21,100	234,000	15,441	.35	24,822.21	51,689.82	-29,867.58
1943	2,983	1,563	436	61,813	61,444	50,116	.52	56,159.11	83,239.10	-27,060.26
Total			3,971	69,420	511,967	20,744	.41			
Tennessee										
1939	218	236	34	4,767	13,658	2,747	.363	1,364	50	1,072.27
1940	210	188	18	3,066	26,223	1,616	1,158	1,203.91	505.32	1,290.25
1941	1,923	1,677	121	15,908	131,685	7,938	1,059	3,879	9,761.44	698.52
1942	1,603	1,166	150	11,109	92,000	5,211	1,234	683	.87	4,059.66
Total			3,269	326	34,811	293,769	.52	22,483.75	7,534.45	1,306.21
Arkansas										
1939	-	-	-	-	-	-	-	-	-	7,154.66
1940	-	-	-	-	-	-	-	-	-	
1941	38	18	17	734	7,582	352	1,045	1,093	1,11	-1,119.78
1942	70	39	18	631	6,008	511	1,552	1,638	113.43	-1,857.47
1943	49	36	26	600	235	1,724	1,459	7.34	311.52	-2,052.66
Total			113	61	19,590	901	.52	21,220	5.68	-5,090.01
Iowa										
1939	6,645	1,782	72,575	831,064	57,223	127,312	.709	2,22	26,726.51	62,577.17
1940	7,251	6,515	7,075	10,275	1,228,446	97,553	47,580	49,973	63,131.96	33,950.64
1941	7,569	6,093	5,146	95,180	1,134,615	88,202	68,916	-601,114	50,631.33	29,226.28
1942	10,208	6,689	1,102	96,527	1,187,231	108,856	89,797	7,82	102,535.15	667,944.91
1943	7,440	4,499	1,566	65,009	79,000	104,639	198,819	94,180	110,501.73	-6,066.58
Total			28,441	10,301	429,357	456,473	.52	1,153,121	695,651	-115,953.22
Nebraska										
1939	11,197	8,710	126,982	3,922,955	495,556	1,277,596	-782,041	2.58	231,006.31	640,821.41
1940	57,095	53,924	31,102	1,391,219	15,162,451	1,972,888	5,130,595	-3,157,707	1,147,066.51	3,097,405.18
1941	63,250	44,363	57,272	1,504,078	13,519,901	2,369,065	7,080,696	-4,711,631	1,283,004.11	1,297,504.00
1942	73,773	67,285	1,601	1,313,943	12,811,369	2,010,768	3,65,443	1,665,325	1,958,181.74	-6,014,999.89
1943	42,303	30,429	9443	809,100	7,719,000	1,282,914	836,776	146,138	448,297.44	1,510,083.90
Total			23,177	5,475,342	51,225,676	8,151,191	.52	14,691,106	6,539,916	451,515.12
								1.80	6,218,202.64	12,631,257.28
										-6,413,054.64

See footnotes at end of table.

Table 3. Wheat crop insurance experience by states - As of June 30, 1944

State and Crop Year	FARMS INSURED/1		COMMODITY BASIS				MONETARY BASIS/5			
	Insurance Written Number	Indemnities	Insured Acreage/2	Production/3 Bushels	Premiums bushels	Indemnities Bushels	Surplus or -Deficit Bushels	Premiums Dollars	Indemnities Dollars	
Kansas										
1939	14,887	5,742	882,696	7,325,345	777,080	1,716,943	-964,863	2.25	\$ 813,78	
1940	60,287	55,98	25,004	23,893,650	3,694,182	8,299,127	-4,604,945	2.25	\$ 861,66	
1941	60,884	53,991	20,849	19,811,409	3,074,047	2,766,296	-277,651	4,234,973,86	-2,464,753,50	
1942	55,849	42,550	1,305,041	11,231,855	1,274,228	1,759,664	-495,136	1,059,99,91	-1,072,068,67	
1943	49,777	34,957	1,076,700	9,267,000	1,038,630	1,731,693	-694,063	1,206,317,26	-1,027,394,33	
Total	200,387	82,522	9,014,117	71,536,587	9,858,867	16,346,823	-6,488,355	1,67	2,316,786,57	
Oklahoma										
1939	23,258	8,635	2,997	4,63,873	4,016,681	270,416	4,77,481	1.77	133,687,11	
1940	25,062	22,520	7,642	1,066,247	8,586,166	879,776	1,217,841	1.55	570,312,42	
1941	22,652	10,149	943,406	7,530,407	751,265	1,255,857	-484,592	1.54	402,855,29	
1942	28,242	23,921	8,145	939,280	6,879,295	657,080	970,420	1.46	603,136,31	
1943	21,667	9,783	9,886	623,500	5,111,000	593,643	1,54,667	2.60	734,561,92	
Total	-	95,711	38,719	3,936,406	32,123,840	3,151,680	5,555,266	1.75	2,444,547,08	
Texas										
1939	11,022	7,677	2,362	346,912	2,528,065	396,019	1,017,657	2.57	196,493,78	
1940	10,858	5,383	5,189,158	5,189,158	1,069,727	1,689,525	-580,253	1.54	638,403,94	
1941	9,377	5,574	4,111,147	668,441	958,715	1,780,615	-831,100	1.87	521,166,76	
1942	9,832	6,159	3,026,924	478,887	599,531	1,055,785	-456,254	1.76	554,399,85	
1943	13,284	3,679	3,126,000	542,100	519,992	453,941	65,651	1.87	611,871,24	
Total	44,373	23,157	28,477,398	18,284,333	3,542,929	5,066,522	-2,423,591	1.68	2,600,326,57	
Wyoming										
1939	1,273	321	235	23,403	207,101	29,071	84,035	2.89	11,577,63	
1940	1,532	1,188	856	70,436	561,466	120,852	271,458	2.25	60,533,58	
1941	714	1,293	108	73,271	540,918	126,680	17,264	1.14	59,367,16	
1942	954	705	132	45,198	258,448	529	17,153	49,281,45	19,781,71	
1943	-	-	606	94	36,900	211,000	54,546	38,876	31	65,429,07
Total	-	-	4,152	258,208	1,778,933	387,178	468,128	1.05	246,182,89	
Colorado										
1939	3,706	1,429	761	70,520	580,273	73,215	187,356	1.40	33,486,85	
1940	5,661	3,491	1,958	1,55,881	1,221,281	207,776	465,490	1.85	140,466,84	
1941	5,512	4,915	758	209,908	1,560,422	353,291	103,593	2.29	172,967,35	
1942	-	4,149	747	132,925	923,963	179,009	89,068	50	157,444,88	
1943	4,793	3,291	439	105,500	734,000	164,578	59,063	1.36	105,215	
Total	-	7,304	4,162	674,134	5,019,339	1,222,269	904,370	1.88	118,495	
New Mexico										
1939	-	111	72	6,323	7,152	12,153	30,605	2.52	5,628,49	
1940	61	57	144	7,247	37,104	11,731	21,487	1.83	9,756	
1941	860	232	94	18,521	112,963	31,929	55,632	1.74	7,390,48	
1942	450	392	70	42,846	126,680	37,380	6,356	1.74	16,561,96	
1943	475	325	160	35,500	105,000	10,148	31,024	1.17	33,510,61	
Total	-	1,111	440	453,279	112,467	103,641	13,202	1.27	12,212,28	
								1.23	21,661	
									73,589,61	

See footnotes at end of table.

Surplus or -Deficit Dollars

Table 3. Wheat crop insurance experience by states - As of June 30, 1944

State and Crop Year	Farms Insured ^{1/}			Commodity Basis			Monetary Basis ^{5/}		
	Insurance Written Number	Insurance In Force Number	Indemnities Number	Insured Acreage ^{2/} Acres	Insured Production ^{3/} Bushels	Premiums Bushels	Surplus or Deficit Bushels	Loss Ratio ^{4/}	Premiums Dollars
							Indemnities Bushels	Indemnities Dollars	Surplus or Deficit Dollars
Utah									
1939	452	160	32,707	513,804	22,350	63,319	-40,969	2.83	\$ 27,004.10
1940	682	643	31,641	422,797	25,119	15,201	10,718	.59	13,985.36
1941	3,526	2,985	368	892,456	60,908	24,379	16,529	.40	8,136.41
1942	6,068	4,184	580	77,514	45,221	70,192	-21,971	1.16	71,084.18
1943	4,584	3,176	366	55,000	63,396	59,754	-5,368	1.10	15,569.77
Total	-	11,740	1,611	3,201,212	220,104	242,855	-22,661	1.10	91,276.92
Wisconsin									
1939	565	183	119	1,193	15,578	1,215	6,500	5.35	4,272.46
1940	537	96	3,107	71,124	2,941	3,109	-168	1.06	-3,576.15
1941	700	139	3,468	41,099	12,074	11,615	-7,798	3.04	2,221.77
1942	2,925	189	11,110	135,430	12,669	6,500	6,169	.51	11,304.23
1943	2,060	1,306	252	6,700	82,000	11,117	11,384	.97	12,987.29
Total	-	4,824	997	26,578	311,531	32,359	39,108	1.21	11,250.16
Minnesota									
1939	10,211	2,616	210,550	2,193,867	170,442	155,041	15,401	.91	104,305.53
1940	19,604	2,017	381,756	3,302,857	317,043	128,054	188,989	.40	260,912.23
1941	15,565	5,689	5,689	282,379	226,256	40,613	-177,387	1.79	153,083.61
1942	21,888	17,790	1,434	323,513	2,945,519	80,556	184,585	.30	258,024.64
1943	17,594	13,547	215,200	2,242,000	230,605	215,320	15,365	.53	292,966.12
Total	-	14,916	1,471,855	13,168,993	1,209,577	983,621	229,953	.81	304,679.88
North Dakota									
1939	28,991	10,240	1,897,370	12,308,941	1,949,889	1,652,748	297,241	.85	1,032,370.55
1940	30,118	11,109	1,911,703	11,289,677	8,333,703	2,099,857	-206,154	1.11	1,417,174.62
1941	19,778	977	2,018,796	6,967,617	1,046,826	192,996	853,830	.18	171,167.32
1942	14,502	13,107	177	3,960,435	196,005	25,567	470,438	.05	193,236.14
1943	12,226	12,297	525	686,000	3,553,000	87,588	372,272	.19	446,154.47
Total	-	102,481	23,023	6,528,616	38,079,670	5,786,383	3,988,150	.69	1,221,473.61
South Dakota									
1939	1,657	1,644	7,638	496,726	2,796,008	1,592,739	-663,801	2.18	395,740.32
1940	15,213	19,446	10,186	3,745,360	1,046,443	1,618,075	-571,712	1.55	746,893.79
1941	15,216	12,585	3,890	502,520	2,584,078	646,780	537,195	.63	162,905.94
1942	12,911	9,667	907	273,265	1,390,241	437,230	115,212	.26	402,741.26
1943	6,209	5,273	1,287	123,500	628,000	228,154	153,082	.67	275,023.96
Total	-	56,715	23,908	11,113,140	11,113,687	3,287,445	4,016,283	1.22	2,296,665.21
Montana									
1939	5,200	1,749	523,634	4,425,554	655,925	681,177	-25,252	1.04	307,562.22
1940	4,138	1,216	3,994	3,994	2,415,537	512,153	367,278	.72	157,521.67
1941	3,503	3,009	287	263,592	1,977,124	415,640	356,451	.14	181,677.11
1942	3,156	2,686	170	221,089	1,427,551	267,118	65,568	.25	239,453.63
1943	2,950	2,599	214	215,300	1,390,000	326,469	67,441	.21	305,621.22
Total	-	17,488	56,715	11,635,766	2,117,005	1,240,553	937,052	.51	1,401,861.55

See footnotes at end of table.

Table 3. Wheat crop insurance experience by states - As of June 30, 1944

State and Crop Year	Insurance Written Number	PAKES INSURED ^{1/}		Insured Acreage ^{2/}		Insured Production ^{3/}		COMMODITY BASIS ^{4/}		MONETARY BASIS ^{5/}		
		Insurance in Force Number	Indemnities Number	Acres	Bushels	Production ^{1/} Bushels	Premiums Bushels	Indemnities Bushels	Surplus or Deficit Bushels	Loss Ratio ^{1/} Bushels	Premiums Dollars	Indemnities Dollars
Idaho												
1939	6,873	1,708	235	127,679	2,041,709	76,304	125	1.00	\$ 30,815.17	\$ 42,116.03	\$ 11,602.86	
1940	6,734	817	178,128	2,892,651	132,873	99,331	75	80,018.79	55,011.60	25,066.79		
1941	9,530	1,324	279,407	4,502,356	204,761	379,156	75	105,656.22	301,551.20	-198,894.98		
1942	11,295	8,088	266,256	3,660,853	168,197	153,290	75	14,907	141,479.68	-22,827.51		
1943	6,726	4,762	157,400	2,164,000	184,350	117,588	76	66,762	225,666.82	145,922.91		
Total		30,312	1,5592	1,008,570	15,267,562	766,810	669	64	583,206.08	715,480.92	-131,574.42	
Arizona												
1939	-	-	-	-	-	-	-	-	-	-	-	
1940	211	140	99	4,357	70,637	2,450	109	12.06	2,107.02	30,520.89	-28,413.87	
1941	183	38	7,007	114,118	1,222	14,034	76	4,813.08	4,662.79	150.29		
1942	140	65	5,400	81,000	3,631	12,993	75	8,462	5,119.71	13,299.44		
Total	-	207	16,764	271,785	10,303	45,696	75	35,392	12,039.81	41,525.02		
Nevada												
1939	-	38	19	724	15,327	549	5,526	-2,977	6,442	1,938.14	-1,651.52	
1940	104	54	1,851	36,592	1,929	5,869	75	-3,540	2,84	1,886.71	-1,887.74	
1941	102	20	1,571	32,616	1,913	1,607	75	306	60	1,533.21	-400.44	
1942	97	17	1,490	25,745	1,594	1,330	75	-336	1.21	1,515.24	-511.60	
1943	96	24	1,300	23,000	2,105	1,953	75	155	.93	2,836.03	150.28	
Total	-	134	6,936	133,280	8,092	14,485	75	-6,392	1.79	7,210.31	4,366.02	
Washington												
1939	1,332	239	166,125	2,261,124	86,555	86,789	75	-234	1.00	41,517.67	46,424.37	
1940	3,053	778	378,703	5,313,926	225,977	186,261	75	716	.82	142,050.26	109,355.82	
1941	3,778	465	372,158	5,465,013	230,632	139,145	75	91,487	.60	127,123.12	115,550.66	
1942	4,389	268	683,799	5,815,555	215,035	10,779	75	174,256	.19	180,219.25	43,886.33	
1943	4,858	250	521,100	4,687,000	260,339	67,695	75	198,644	.26	321,176.51	83,420.68	
Total	-	16,590	2,040	21,151,886	23,542,618	1,018,538	520,669	497,859	.51	812,486.51	395,635.80	
Oregon												
1939	-	662	188	93,056	1,370,679	62,384	101,107	-36,823	1.62	32,156.77	56,251.86	
1940	2,012	1,973	1,61	293,755	3,646,449	228,369	145,769	82,560	.64	146,959.34	21,095.09	
1941	5,653	4,657	1,302	4,022,975	216,240	155,507	75	60,733	.72	126,556.14	56,950.00	
1942	6,098	4,016	585	311,825	66,327	66,327	75	94,419	.41	144,734.15	-7,950.10	
1943	4,1789	2,912	228	226,100	2,450,000	161,711	43,567	137,750	.24	223,734.66	73,756.65	
Total	-	14,220	2,761	1,199,525	14,368,998	849,356	512,997	335,659	.60	674,341.06	169,219.74	
California												
1939	-	1,002	389	111,149	1,558,732	73,423	252,087	-178,659	.43	46,087.64	-117,375.60	
1940	2,153	1,988	1,082	164,889	2,263,452	154,397	624,875	470,478	4.05	128,187.46	453,885.41	
1941	3,329	2,210	1,258	171,733	2,197,864	163,758	732,752	566,991	1.47	120,428.34	710,234.84	
1942	4,536	631	532	309,623	2,617,578	241,091	423,505	188,411	1.76	259,639.49	520,012.87	
1943	3,048	1,761	503	203,100	1,717,000	202,223	305,505	-106,282	1.53	287,354.40	145,801.92	
Total	-	9,645	4,104	963,494	10,354,650	834,900	2,341,224	1,566,824	2.80	811,921.33	2,301,393.28	

^{1/} Includes duplication where both landlord and tenant are insured. ^{2/} 1942 and 1943 data are estimated. ^{3/} 1943 data are estimated. ^{4/} Ratio of indemnities to premiums.

^{5/} Cash indemnities do not include the value of 305,861 bushels of wheat for which no cash equivalent has been established. This applies almost exclusively to 1943. For Table 2 these were included at an estimated value of \$483,129.00 but have not been allocated by states. Gain or Loss from commodity transactions and its effect on surplus or deficit as shown in Table 2 is not allocated by states in this table.

Table 4. Cotton crop insurance experiences by states - As of June 30, 1944/1

State and Crop Year	Farms Insured/2	Indemnities Number	Insured Acres/1	Production/2	Premiums Pounds	Indemnities Pounds	COMMODITY BASIS		MONETARY BASIS/5			
							Surplus or -Deficit Pounds	Loss Ratio	Premiums Dollars	Indemnities Dollars	Surplus or -Deficit Dollars	
Alabama	1942	4,201	115,759	1,670,042	1,226,083	2,853,845	-1,523,162	2.15	\$ 263,325.92	\$ 595,879.83	\$ -332,553.91	
	1943	2,749	137,985	22,255,000	1,300,860	1,238,227	61,933	0.95	279,261.13	254,980.24	24,280.89	
	Total	6,950	253,744	40,925,042	2,628,242	4,090,772	-1,461,822	1.55	542,561.02	650,860.07	-108,213.02	
Mississippi	1942	6,702	694	101,981	18,410,420	1,262,133	406,154	855,979	1.32	271,121.64	92,095.04	185,029.60
	1943	2,849	211	33,345	6,020,000	1,453,206	223,307	259,999	1.16	116,536.92	47,946.26	68,927.71
	Total	11,551	13,173	135,324	24,430,420	1,174,5239	629,461	1,115,878	0.36	393,951.63	140,039.30	233,922.31
Arkansas	1942	8,110	2,139	122,850	18,194,357	1,245,989	2,225,091	-979,102	1.79	260,302.95	1,488,426.57	-228,123.62
	1943	2,932	5,594	129,302	16,819,000	1,510,971	6,205,892	-52,299	5.27	296,104.42	1,194,601.27	-1,396,503.15
	Total	17,143	5,733	252,152	27,031,357	2,556,060	9,134,983	-6,578,922	3.57	556,407.31	1,983,034.11	-1,426,626.77
Louisiana	1942	11,796	3,519	152,562	29,291,414	2,017,246	1,032,863	-2,015,617	2.00	418,495.11	891,049.87	-472,554.76
	1943	10,423	693	171,324	26,364,000	1,973,162	730,267	1,062,394	0.41	395,011.06	147,966.27	287,048.79
	Total	22,252	4,412	289,900	55,651,414	2,810,801	1,763,830	-953,222	1.22	613,512.11	1,059,016.11	-425,505.91
Oklahoma	1942	9,347	3,657	130,668	12,577,660	1,820,050	1,459,784	-1,639,734	1.90	353,447.45	723,812.95	-370,365.50
	1943	8,025	3,977	106,886	10,289,000	1,576,413	3,985,841	-2,409,228	2.53	335,258.61	819,999.42	-544,290.81
	Total	17,442	7,634	291,524	22,866,660	3,296,463	1,440,625	-2,009,162	2.19	683,706.06	1,053,312.31	-384,606.31
Texas	1942	52,342	15,685	1,387,255	144,937,047	13,833,143	26,970,154	-11,136,611	1.80	2,686,061.97	5,152,295.97	-2,466,225.00
	1943	51,107	14,606	1,345,340	140,559,608	14,684,333	22,947,471	-6,483,036	1.59	2,092,682.90	4,617,716.20	-1,764,055.30
	Total	106,049	33,492	213,322	265,493,655	25,297,776	17,917,625	-19,619,649	1.62	5,779,730.81	10,830,014.17	-4,125,265.30
New Mexico	1942	1,733	372	12,650	12,889,339	799,863	682,226	-117,657	0.85	156,683.87	146,376.12	10,307.12
	1943	2,114	513	15,999	13,071,922	792,570	1,805,629	-1,016,259	2.26	205,619.22	257,067.66	-151,148.44
	Total	3,847	855	25,649	25,951,261	1,592,453	2,491,055	-698,602	1.56	362,301.03	503,343.78	-141,140.60
Arizona	1942	652	109	36,053	10,046,823	740,633	410,542	-69,909	1.21	60,738.27	114,334.29	-53,596.02
	1943	1,219	272	75,496	16,610,782	1,08,674	1,299,870	-1,291,196	2.82	251,000.78	840,059.33	-589,092.15
	Total	1,871	482	113,549	26,719,605	1,09,307	2,410,412	-1,361,105	2.30	331,739.05	951,394.22	-622,655.17
California	1942	1,282	137	13,276	14,565,364	520,756	899,068	-378,312	1.73	101,105.27	192,625.99	-91,520.72
	1943	850	122	25,210	8,400,000	947,453	2,445,010	-1,497,527	2.56	205,153.12	297,654.90	-192,201.78
	Total	2,132	262	68,506	23,053,364	1,168,239	3,341,078	-1,875,839	2.28	306,258.39	590,280.89	-284,022.50

1. Includes American-Egyptian Cotton in Arizona for 1942 and in Arizona, New Mexico, and Texas for 1943.
 2. Includes duplication where both landlord and tenant are insured.
 3. 1943 data are estimated.
 4. Ratio of indemnities to premiums.
 5. Cash indemnities do not include the value of 2,855,720 pounds of cotton for which no cash equivalent has been established. This applies principally to 1943. For table 2 these were included at an estimated value of \$632,360.00.
 Gain or loss from commodity transactions and its effect on surplus or deficit as shown in table 2 is not allocated by states in this table.

Table 4. Cotton crop insurance experience by state
As of June 30, 1944

State and Crop Year	Policy Insured/ ² Number	Insured Acres/ ¹ Acre	Insured Production/ ¹ Pound	Commodity Basis				Monetary Basis/ ⁵		
				Premiums Pounds	Indemnities Pounds	Surplus or -Deficit Pounds	Loss Ratio/ ⁴	Premiums Dollars	Indemnities Dollars	
Illinois	238	58	2,297	336,874	29,727	31,565	1.06	6,179.19	6,915.00	
1942	121	1,220	163,000	20,304	24,774	-263,870	1.36	4,668.47	63,520.41	
1943	167	3,257	519,874	50,631	316,259	-265,126	6.25	10,895.66	70,495.41	
Total	465	179								
Missouri	3,619	228	47,919	9,039,930	491,073	124,071	326,982	27,065.26	66,217.25	
1942	6,663	1,643	80,264	15,142,900	364,103	2,933,302	-2,549,201	85,200.92	640,295.36	
1943	2,071	124,162	24,161,910	355,124	3,051,312	-2,122,212	3.66	178,182.52	661,360.62	
Total	10,302									
Virginia	641	47	2,370	426,257	32,001	37,765	-7,764	6,256.21	8,471,03	
1942	554	76	2,048	310,000	14,747	6,236	8,511	1,267.71	1,267.76	
1943	4,418	795,257	46,143	44,001	2,747	2,747	.94	2,604.92	9,728.79	
Total	1,162									
North Carolina	9,565	508	96,650	10,112,676	551,679	159,656	392,021	2.29	115,877.05	
1942	10,501	871	62,202	11,104,000	311,707	282,916	68,791	86,192.23	36,622.19	
1943	1,365	118,852	490,261	21,216,676	923,386	142,574	480,612	.43	202,069.28	97,296.56
Total	20,072									
South Carolina	20,167	5,724	244,395	50,950,732	3,257,750	5,957,137	-2,699,387	1.83	686,157.91	
1942	5,078	254,863	51,256,000	3,405,821	3,125,924	252,867	.76	796,125.61	721,308.41	
1943	9,602	490,261	102,296,122	6,685,271	9,113,091	2,446,520	1.37	1,462,283.52	2,060,143.77	
Total										
Georgia	24,424	6,789	233,839	51,423,398	3,597,640	5,996,067	-2,398,427	1.67	724,813.31	
1942	17,618	5,130	212,152	31,124,000	2,800,373	4,587,382	-1,786,769	1.64	617,317.14	
1943	40,446	42,042	50,279	490,261	6,396,021	10,533,222	-4,185,216	1.65	1,342,150.45	2,281,119.56
Total										
Florida	885	375	4,496	511,635	55,374	142,239	-86,325	2.74	11,530.07	
1942	521	102	2,618	361,000	24,680	30,445	-5,765	1.23	5,568.93	
1943	1,406	477	7,141	812,815	80,854	172,744	-92,090	2.14	17,999.90	
Total										
Kentucky	324	126	1,190	240,372	16,126	26,910	-10,782	1.59	3,710.12	
1942	532	153	1,980	400,000	22,297	200,460	-176,062	8,95	5,123.40	
1943	863	279	3,270	640,372	40,525	229,370	-168,245	5.05	8,533.92	
Total										
Tennessee	3,634	376	27,196	4,953,101	273,652	121,050	152,632	1.14	57,741.07	
1942	5,997	8,049	4,955	8,271,000	319,569	3,029,616	-2,710,047	2,148	71,138,68	
1943	9,631	1,425	72,151	13,220,101	593,251	3,150,567	-2,557,412	5.31	126,879.75	
Total										

Table 5. Comparative Balance Sheet for the fiscal years ended June 30, 1943 and June 30, 1944
As of June 30, 1944

Item	Assets	Fiscal year ended		Increase or Decrease as of 1944
		June 30, 1943	June 30, 1944	
Cash		\$ 7,838,691.99	\$ 3,146,006.97	\$ -4,692,685.02
Receivables:				
Insured growers		1,219,199.33	2,089,700.39	+870,501.06
Other		3,504.56	3,359.18	-145.38
Total receivables		1,222,703.89	2,093,059.57	+870,355.68
Inter-agency assets:				
Commodity Credit Corporation		3,435,326.73	-	-3,435,326.73
Other assets:				
Inventory (stated at cost value):				
Wheat		6,040,929.06	-	-6,040,929.06
Cotton		238,748.46	-	-238,748.46
Total inventory		6,279,677.52	-	-6,279,677.52
Total assets		\$18,776,400.13	\$5,239,066.54	\$-13,537,333.59
<u>Liabilities and Net Worth</u>				
Accounts payable:				
Administrative fund		\$ 708,438.11	\$ 528,356.34	\$ -180,081.77
Indemnities (estimated)		6,053,800.00	769,621.67	-5,284,178.33
Agricultural Adjustment Agency		-	999,723.66	+999,723.66
Commodity Credit Corporation		-	167,341.16	+167,341.16
Other		2,482.34	1,067.27	-1,415.07
Total liabilities		6,764,720.45	2,466,110.10	-4,298,610.35
Net worth:				
Capital stock authorized		100,000,000.00	100,000,000.00	-
Less unappropriated		60,000,000.00	60,000,000.00	-
Appropriated for subscription to capital stock		40,000,000.00	40,000,000.00	-
Less capital funds unrequi- sitioned from U. S. Treasury and unapportioned		5,000,000.00	-	-5,000,000.00
Capital funds requisitioned from U. S. Treasury		35,000,000.00	40,000,000.00	+5,000,000.00
Operating deficit		-22,988,320.32	-37,227,043.56	-14,238,723.24
Total net worth		12,011,679.68	2,772,956.44	-9,238,723.24
Total liabilities and net worth		\$18,776,400.13	\$5,239,066.54	\$-13,537,333.59

Warehousing costs are provided for by annual appropriation with other administrative funds. However, since such items are closely related to certain insurance operations, such as deductions for warehousing costs in indemnity settlements, it was more convenient for accounting purposes to handle such transactions through the capital fund accounts. Thus, warehousing costs were paid from capital funds and warehousing cost recoveries were deposited to the credit of the capital fund. An inter-fund account is maintained which is subject to clearance through periodic transfers between funds. This arrangement was not employed prior to the 1942 fiscal year, disbursements and deposits of warehousing-cost transactions having been effected directly through the administrative fund accounts up to that time.

The amount of \$769,621.67 is an estimate of the Corporation's liability for approved but unpaid indemnity claims which are evidenced by outstanding certificates of indemnity. This includes the estimated value of 246,468 bushels of wheat and 1,140,337 pounds of cotton on which the cash equivalent had not been established and the actual value of approximately 81,283 bushels of wheat and 322,959 pounds of cotton under the 1942 crop year for which the cash equivalent had been established. This liability does not include the certificates of indemnity held by Commodity Credit Corporation as collateral for loans discussed hereafter.

The amount of \$999,723.66 represents the balance of a \$7,000,000.00 1943 crop year premium advance made by the Agricultural Adjustment Agency. A temporary advance was secured from the Agricultural Adjustment Agency in order that the Corporation might protect its position against market fluctuations by purchasing the commodities represented by, and to the amount of, the premiums without deferring the purchase until the premiums were actually collected in cash or collected by offset against Agricultural Adjustment Agency payments to the growers. This balance will be transferred to the Agricultural Adjustment Agency upon request by that agency.

The amount of \$167,341.16 represents a net balance owed to the Commodity Credit Corporation. Funds were advanced to the Commodity Credit Corporation with which to purchase wheat and cotton stocks to meet the Corporation's inventory requirements. As of June 30, 1944 the excess of this advance over purchase costs less the value of wheat and cotton sold to the Commodity Credit Corporation resulted in the net amount of \$6,809,980 due from the Commodity Credit Corporation. Applied against this receivable were amounts due to the Commodity Credit Corporation representing unliquidated certificates of indemnity held by them amounting to \$6,424,498.42 plus estimated storage of \$552,822.74. The net result therefore is a liability to the Commodity Credit Corporation amounting to \$167,341.16.

Capital Stock

Funds were appropriated to the Secretary of the Treasury in the amount of 40 million dollars with which to subscribe to the Corporation's stock. As of June 30, 1944, the Corporation had requisitioned this amount which had been subscribed by the Secretary of the Treasury.

Operating Deficit

The operating deficit reflects the excess cost of indemnities over the amount of insurance premiums and profit from commodity transactions. The cumulative operations of the Corporation showing a deficit of \$37,227,043.56 and the commodity equivalent quantities are summarized by crop years in table 2.

Operating and Administrative Expenses

A comparison of operating and administrative expenses for the 1943 and 1944 fiscal year appropriations as of June 30, 1944, is shown in table 6.

During the 1944 fiscal year the total expenditures of the Corporation decreased \$4,711,532.26. This decrease is due in large part to the action of Congress in restricting the Corporation from insuring wheat and cotton crops planted after July 31, 1943, and the resultant decrease in activities which during the year have been confined to liquidation of the insurance on 1943 and earlier crops.

The comparative statement of operating and administrative expenses is presented in a different manner than shown in the annual report of the Manager for the fiscal year 1943. In 1943 this statement reflected all expenditures processed during the current year irrespective of the appropriation chargeable, while the statement in this report reflects transactions chargeable to the appropriations for the fiscal years 1943 and 1944 only.

Table 7 shows a summary of operating and administrative expenses by appropriations for each of the years that the Corporation has been operating. The sharp increase in appropriations and expenditures in 1942 is due to the addition of the cotton insurance program. The expenditures in this table have been divided between the Federal Crop Insurance Corporation and cooperating agencies. Nearly two-thirds of the total expenditures have been made by the Agricultural Adjustment Agency. This reflects the cost of the field operations of the program in states and counties. The expenditures of the Federal Crop Insurance Corporation designated as general include the cost of headquarters and branch offices. Storage expenses are shown separately. It should be noted that such expenses were heavy in the first three years of the program. As explained in another section of this report, storage expenses were largely eliminated by the adoption in 1942 of the commodity premium note. The negative amounts in 1942 and 1943 resulted from crediting to the storage cost account the amounts collected for storage from holders of certificates of indemnity. Similar credits have not yet been made against the storage costs shown for 1944.

The total cost to the Government of administrative and storage expenses for the whole period of operations has been about 30 million dollars. During recent years the cost of operating a complete program has been between 6 and 7 million dollars annually. The low cost in 1944 results from the fact that the Corporation's activities in that year were confined to liquidating the insurance on 1943 and earlier crops.

Table 6. Comparative statement of operating and administrative expenses for the 1943 and 1944 fiscal year appropriations
As of June 30, 1944

<u>Items</u>	<u>Expenses, As of June 30, 1944</u>		<u>Increase or Decrease</u>
	<u>1943</u>	<u>1944</u>	
<u>Appropriation</u>	<u>Appropriation</u>		
Direct expenses except commodity storage:			
Personal services	\$ 1,142,855.42	\$ 788,005.58	\$ -354,849.84
Travel	68,478.08	32,414.83	-36,063.25
Transportation of things	25,086.50	4,117.23	-20,969.27
Communication services	11,922.77	9,733.32	-2,189.45
Rents and utility services	43,742.90	38,657.88	-5,085.02
Printing and binding	327.57	-	-327.57
Other Contractual services	18,591.11	3,749.09	-14,842.02
Commodity purchase expense	20,705.00	26,431.89	+5,726.89
Supplies and materials	16,716.41	2,598.28	-14,118.13
Total direct expenses except commodity storage	1,348,425.76	905,708.10	-442,717.66
Commodity storage:			
Wheat	-77,737.41	34,133.71	+111,871.12
Cotton	20,017.08	9,975.72	-10,041.36
Total direct expenses	1,290,705.43	949,817.53	-340,887.90
Allotted to cooperating agencies:			
Office of the Secretary	69,600.00	-	-69,600.00
Bureau of Agricultural Economics	104,205.07	-	-104,205.07
Office of Information	14,921.00	-	-14,921.00
Office of Solicitor	56,170.00	-	-56,170.00
Agricultural Marketing Administration	2,000.00	-	-2,000.00
Agricultural Adjustment Agency	4,884,579.00	770,000.00	-4,114,579.00
Library, Department of Agriculture	800.00	-	-800.00
Treasury Department:			
Treasurer's Office	7,785.00	2,539.00	-5,246.00
Division of disbursement	14,160.00	14,733.00	+573.00
Total expenses of cooperating agencies	5,154,220.07	787,272.00	-4,366,948.07
Total expenses	6,444,925.50	1,737,089.53	-4,707,835.97
Equipment purchased	3,696.29	-	-3,696.29
Total expenditure	\$ 6,448,621.79	\$ 1,737,089.53	\$ -4,711,532.26

Table 7. Summary of administrative expenses by appropriations
As of June 30, 1944

FISCAL YEAR	NET APPROPRIATIONS ¹	BUDGETS										Total Expenditure	Total SAVINGS
		Federal Crop Insurance Corporation			Cooperating Agencies			Total					
		General	Storage	Total	AAA	Other	Total	General	Storage	Total	General	Storage	Total
1938	\$ 965,000	\$ 234,546.07	\$ -	\$ 234,546.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,546.07	\$ 730,453.93	
1939	\$ 5,000,000	1,645,390.41	305,621.27	1,950,011.68	2,245,743.31	151,560.77	2,397,124.08	4,351,335.16	645,664.24	645,664.24	645,664.24	645,664.24	
1940	\$ 5,823,200	1,320,427.79	858,317.17	2,178,754.96	3,280,167.88	191,916.17	3,472,084.05	9,620,839.01	172,360.99	172,360.99	172,360.99	172,360.99	
1941	\$ 5,523,200	1,148,159.32	865,568.89	2,013,758.21	2,614,439.96	200,737.64	3,015,177.60	7,026,935.51	494,264.19	494,264.19	494,264.19	494,264.19	
1942	\$ 5,559,827	1,595,212.74	-178,856.96	1,419,355.78	5,123,260.67	232,994.08	5,356,254.75	6,775,610.53	1,744,216.47	1,744,216.47	1,744,216.47	1,744,216.47	
1943	\$ 5,572,924	1,355,122.05	-57,120.33	1,294,401.72	4,840,579.00	269,641.07	5,154,220.07	6,448,621.79	2,124,332.21	2,124,332.21	2,124,332.21	2,124,332.21	
12-112/3000.017	550	494.22	-	494.22	-	-	-	494.22	55.74	55.74	55.74	55.74	
1944	\$ 3,150,000	905,708.10	44,109.43	949,817.53	770,000.00	17,272.00	787,272.00	1,737,089.53	1,412,910.47	1,412,910.47	1,412,910.47	1,412,910.47	
Total	\$37,594.72	\$5,205,080.70	\$1,817,059.47	\$10,045,140.17	\$19,118,190.82	\$1,050,141.71	\$20,162,332.55	\$10,227,472.72	\$1,367,256.26	\$1,367,256.26	\$1,367,256.26	\$1,367,256.26	

¹ Adjusted to reflect reappropriations:

\$500,000 - 1939 to 1940

100,000 - 1940 to 1941

350,000 - 1944 to 1945